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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-883

Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2017-2018

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that sales of certain hot-rolled steel flat products (hot-rolled steel) from the Republic of Korea (Korea) were made at less than normal value during the period of review (POR) October 1, 2017 through September 30, 2018. We invite interested parties to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Genevieve Coen, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3251.

SUPPLEMENTARY INFORMATION:

Background

On December 11, 2018, Commerce initiated the administrative review of the antidumping duty order on hot-rolled steel from Korea in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).¹ This review covers one mandatory respondent, Hyundai Steel Company (Hyundai). The remaining companies, POSCO and POSCO Daewoo

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 63615 (December 11, 2018).

Corporation (collectively, POSCO), were not selected for individual examination and remain subject to this administrative review.² Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019, resulting in a revised deadline for these preliminary results.³ Additionally, Commerce exercised its discretion to extend the deadline for the preliminary results until December 10, 2019.⁴

Scope of the Order⁵

The products covered by this *Order* are certain hot-rolled steel products. For a full description of the scope, *see* the Preliminary Decision Memorandum.⁶

Preliminary Determination of No Shipments

On January 11, 2019, POSCO certified it had no reviewable entries, exports, or sales of subject merchandise to the United States during the POR.⁷ To confirm POSCO's no-shipment

² Commerce previously determined that these companies are affiliated and should be treated as a single entity. In the absence of information indicating that we should reevaluate this finding, we are treating POSCO and POSCO Daewoo Corporation as a single entity. *See Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 81 FR 15228 (March 22, 2016), and accompanying Preliminary Decision Memorandum (PDM) at 6-8, unchanged in *Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 81 FR 53419 (August 12, 2016); *see also Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 56821 (November 14, 2018), and accompanying PDM at 8-9, unchanged in *Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 84 FR 32720 (July 9, 2019), and accompanying IDM at 1.

³ *See* Memorandum, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

⁴ *See* Memorandum, "Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review, 2017-2018," dated July 18, 2019; *see also* Memorandum, "Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Second Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review, 2017-2018," dated October 16, 2019.

⁵ *See Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Australia, the Republic of Korea, and the Republic of Turkey and Antidumping Duty Orders*, 81 FR 67962 (October 3, 2016) (*Order*).

⁶ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review: Certain Hot-Rolled Steel Flat Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

claims, Commerce issued a no-shipment inquiry to U.S. Customs and Border Protection (CBP) and has received no information that contradicts POSCO's no shipment claims.⁸ Therefore, we preliminarily determine that POSCO did not have any shipments of subject merchandise during the POR. Consistent with Commerce's practice, we will not rescind the review with respect to these companies, but, rather, will complete the review and issue instructions based on the final results.⁹

Methodology

Commerce is conducting this review in accordance with section 751(a) of the Act. For a full description of the methodology underlying these preliminary results, *see* the Preliminary Decision Memorandum. A list of the topics included in the Preliminary Decision Memorandum is included as an appendix to this notice. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum is available at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Rates for Non-Examined Companies

⁷ See POSCO's Letter, "Certain Hot-Rolled Steel Flat Products from South Korea, Case No. A-580-883: No Shipment Letter," dated January 11, 2019.

⁸ See Memorandum, "Certain Hot-Rolled Steel Flat Products from the Republic of Korea: POSCO's No Shipments Inquiry Instructions," dated December 5, 2019.

⁹ See, e.g., *Certain Frozen Warmwater Shrimp from Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012-2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp from Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012-2013*, 79 FR 51306, 51307 (August 28, 2014).

The statute and Commerce’s regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally “an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.”

In this review, we have preliminarily calculated a weighted-average dumping margin for Hyundai that is not zero, *de minimis*, or determined entirely on the basis of facts available. Accordingly, we have preliminarily assigned to the companies not individually examined in this review a margin of 0.94 percent, which is the calculated weighted-average dumping margin for Hyundai.¹⁰

Preliminary Results of the Review

We preliminarily determine that the following weighted-average dumping margin exists for the period October 1, 2017 through September 30, 2018:

Exporter/Producer	Weighted-Average Dumping Margin (Percent)
Hyundai Steel Company	0.94
POSCO/POSCO Daewoo Corporation	0.94

Disclosure and Public Comment

¹⁰ The non-examined companies subject to this review are: POSCO and POSCO Daewoo Corporation.

We intend to disclose the calculations performed for these preliminary results of review to interested parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Commerce will establish a deadline for interested parties to submit case briefs and rebuttal briefs at a later date.¹¹ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹² Case and rebuttal briefs should be filed using ACCESS¹³ and must be served on interested parties.¹⁴ Executive summaries should be limited to five pages total, including footnotes.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via Commerce's electronic records system, ACCESS. An electronically filed request must be received successfully in its entirety by 5:00 p.m. Eastern Time within 30 days of the date of publication of this notice.¹⁵ Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁶ Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

¹¹ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

¹² See 19 CFR 351.309(c)(2) and (d)(2).

¹³ See *generally* 19 CFR 351.303.

¹⁴ See 19 CFR 351.303(f).

¹⁵ See 19 CFR 351.310(c).

¹⁶ See 19 CFR 351.310(d).

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any case or rebuttal briefs, no later than 120 days after the date of publication of this notice, unless extended.¹⁷

Assessment Rates

Upon completion of this administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries. If Hyundai's weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.5 percent) in the final results of this review, we will calculate importer-specific *ad valorem* antidumping duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is not zero or *de minimis*. If Hyundai's weighted-average dumping margin is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.¹⁸

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by Hyundai for which it did not know that the merchandise was destined to the United States, we will instruct CBP to liquidate those entries

¹⁷ See section 751(a)(3)(A) of the Act; and 19 CFR 351.213(h).

¹⁸ See section 751(a)(2)(C) of the Act.

at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹⁹

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for Hyundai and POSCO in the final results of review will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review or the original investigation but the producer is, then the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; (4) the cash deposit rate for all other producers or exporters will continue to be 6.05 percent, the all-others rate established in the less-than-fair-value investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping

¹⁹ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

Notification to Interested Parties

This administrative review and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: December 9, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Preliminary Determination of No Shipments
- V. Affiliation
- VI. Particular Market Situation
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